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January 22, 1997

Lester Snow, Executive Director
CALFED Bay-Delta Program
1416 9th St, Suite 1155
Sacramento, California 95814

Subject: Water Use Efficiency Work Group - Comments on Agricultural
and Urban Discussion Papers

Dear Lester:

At the January 10, 1997 meeting of the Water Use Efficiency Work group Rick Soehren and Judith Redmond stated that the staff was unable to resolve some of the differences in opinion regarding a number of points in the paper and that it would be presented at the January 30 BDAC meeting in an attempt to reach some resolution. These comments have been prepared by Howard Frick and me in the hope of identifying our concerns and making the BDAC process easier.

First, here is our evaluation of the controversy that has developed in the last few meetings of the Work Group. At the January 10, 1997 meeting, it was plain that there was a serious disagreement among those present and the sectors being represented centering around requests of the representatives from the environmental water caucus to include provisions for measurement of achievements in water use efficiency, and establishing some levels of required improvement in water use efficiency. That is, they are asking that levels of performance be set along with some manner of enforcement of performance. This process would lead to some type of sanction for non-achievement. They also ask for disincentives as a means of getting compliance with water management planning and water use efficiency. These approaches are completely at odds with the CALFED objectives embracing voluntary local determination of steps and the programs needed on a local level for water use improvements.

Here are comments on the General Objectives and some of the specific agricultural and urban objectives in Section II since these set the basis for all other aspects of the CALFED paper.

- *Ensure a strong water use efficiency component in the Bay-Delta solution.*

KCWA, agricultural and urban water users in general support this objective. They believe it can be met satisfactorily through existing

district and user sponsored water saving actions, including current implementation on a voluntary basis of the MOU for Agricultural Water Use Efficiency developed under the AB 3616 Program, by the CVPIA water management planning requirements for users of CVP water, as well as through the existing urban MOU.

- *Emphasize incentive disincentive based tools over regulatory tools.*

The use of incentive tools is strongly supported by agricultural representatives. In fact, the costs that may be involved in agricultural water use efficiency programs will be minor in comparison to costs for most other programs. The CALFED Program should aggressively pursue funding to support water use efficiency improvements to the extent they are practical, result in identifiable water savings and are shown to have a significant relationship to the overall purposes of the CALFED solution.

The use of disincentives is not supported for the CALFED programs. Disincentives in the form of higher costs, reduced water availability or other administrative sanctions would constitute redirected impacts on one segment of the state to benefit another.

For those who choose to access CALFED Program benefits, the costs of environmental restoration and other improvements to the water systems diverting from the Delta will add costs to the already high costs of Delta water and constitute a disincentive to wasteful use of that water.

- *Preserve local flexibility.*

Support of the current AB 3616 MOU for Agricultural Water Use Efficiency furthers this objective.

- *Remove disincentives and barriers to efficient water use.*

Local water management planning under the AB 3616 MOU can be expected to identify such barriers on a local level. There may be barriers of this type contained in water rights provisions that need improvement through legislative action.

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- *Offer greater help in the planning and financing of local water management and efficiency improvements.*

As noted above, the CALFED Program should support sources of funding to pay the cost of planning and implementation of efficiency improvements. The provision for providing technical assistance, in ways acceptable to some of the smaller districts, should also be considered.

Urban Objectives

- *Provide some type of assurance that a high "floor" level of conservation implementation will occur.*

As a general comment, the Urban MOU is functioning and is making progress in modifications to suit the Urban Council members. The CALFED Program should accept the Urban MOU as the urban water use efficiency common program.

The question of floor levels is a controversial point which would require some agency (SWRCB?) to measure and evaluate current achievements in water use efficiency that have been reached after years of effort and then compare and evaluate future performance and water savings that may result from CALFED sponsored programs. The objectives based on measuring performance are at odds with the voluntary, locally directed type of program framed in the first objectives. The "floor" and performance objectives need modification and should be dropped in favor of voluntary programs and incentives.

Agricultural Objectives

- *Provide adequate assurance that agricultural water supplies will be used at highly efficient levels.*

It is not clear that this objective deals with implementation in the same time frame as other CALFED programs as stated in the write-up. If a time-frame is implied, that should be in the statement of the objective. Also, the term "adequate assurance" raises the expectations of some participants that enforcement and disincentive mechanisms will be part of the water use efficiency common program. "Adequate assurance" should not mean mandated performance. Like the Urban MOU, the AB 3616 MOU should be adopted as the agricultural water use efficiency common program.

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Environmental Objectives

Although considerable time and energy have been directed to efficient water use for urban and agricultural purposes, similar effort has not been directed to efficient water use for environmental purposes. There has been only limited discussion on this, and that was limited to water used for refuges. We feel it imperative that any water used for environmental purposes, including in stream uses, be given the same scrutiny as water used for urban and agricultural purposes.

Other Comments

The definition of efficient water use shown in bold type on page four of the Agricultural Discussion draft is so broad and ambiguous that it defines nothing. There is no standard by which a person could define one use as efficient and some other use as inefficient without injecting personal or organizational bias.

While we object to "floor levels" as noted above that could lead to enforcement of performance, we support the establishment of a data base to measure and record information regarding water use practices on a statewide basis. One of the reasons that the current argument exists that there are wasteful water use practices in agriculture is the lack of data to show current methodology and levels of water use on a statewide basis to consistent standards. Nor can we show the amounts of money spent by districts and growers over the past few years along with achievements to increase efficiency. We have good baseline measurements of water use efficiency for Kern County for 1974 and 1985. However, it would be quite expensive to bring that up to date again and it would not be done unless there was a good reason. We think it is in order for the State to make use of water management planning reports to assemble statewide water use information.

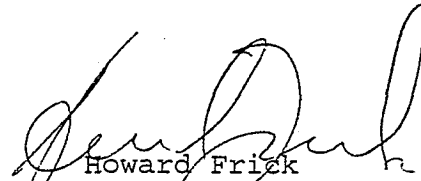
As a last item, copies of the drafts of the agricultural and urban discussion papers that have been modified by Kern County Water Agency with input from a number of urban and agricultural representatives are included. Material that we disagree with has been lined out and new material added is underlined. There are additional comments, not intended to be part of the paper, shown in italics.

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We request that you make copies of this letter and the attachments available to the BDAC members prior to the January 30, 1997 meeting.

Sincerely,


Stuart Pyle


Howard Frick